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Associational autonomy or political influence?

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Svendsen, Gunnar Lind Haase

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Associational autonomy or political influence? The case of the cooperation between Danish Dairies' Buttermark Association and the Danish state, 1900-1912

Abstract

Studies show that it may be risky for business associations to cooperate with the state. Trapped in a dilemma between a 'logic of membership' and a 'logic of influence', these associations may obtain political influence from cooperation but only at the risk of losing their associational autonomy, which often leads to dissatisfaction among members. This article presents an illustrative example of loss of associational autonomy in the context of agricultural corporatism, namely the cooperation between the Buttermark Association and the Danish state on a law-supported branch trademark for all Danish butter securing high quality and hindering fraudulent sale and adulteration of milk – i.e., the famous lur brand required by Danish law from 1906 and still in use today.

Keywords: Corporatism, Danish butter exports, Danish Dairies' Buttermark Association, Associational autonomy, Political influence

1. Introduction

1.1. The risks of close cooperation with the state

Close cooperation between agricultural interest groups and state or supra-state organizations has been dominating through the 20th century and still is today, for example in the EU.¹ However, seen from the perspective of agricultural interest groups and associations such cooperation is conducive to both gains and losses. Thus, historical studies have shown that it may be risky for voluntary business associations to cooperate closely with the state.² Finding themselves in a dilemma between a ‘logic of influence’ and a ‘logic of membership’³, these associations may on the one hand profit from cooperation in the form of increased political influence, including influence on state regulation. On the other hand, various pay-backs to the state may turn out to be too costly and ultimately lead to loss of autonomy and dissatisfied members.

1.2. Purpose, case and research question

When estimating the positive and negative consequences of agricultural corporatism, we may learn important lessons from history, especially from the childhood of modern corporatism in the decades around 1900. Therefore, the purpose of this article is to shed light on agricultural corporatism in the making, using the case of the cooperation between the peak association, Danish Dairies’ Buttermark Association (*Danske Mejeriers Smørmærkeforening*), and the Danish Ministry of Agriculture. Negotiations between these two organizations led to a law of March 30, 1906 that required all Danish dairies to use the so-called *lur brand* for all Danish export butter and, a year later, bacon as well. Originally, the logo mirrored four interlaced Bronze Age lures and was from the start supposed to reflect a Danish national identity rooted in ancient times.⁴ The two words “Danish Butter” were written in-between the lures.

The lur brand logo is still in function today, although under the slightly altered name ‘Lurpak’. It still contains the words “Danish butter” but now carries a logo of only two lures. The logo was invented in autumn 1900, registered in England October 23, 1901, and from then on voluntarily applied by the large majority of Danish dairies – in fact by 99 pct. of all Danish dairies at the time when the use of the lur trademark was made statutory in March 1906. The purpose of the brand was – and still is – to guarantee foreign consumers the high quality of the, already at that time, highly esteemed Danish butter. In modern Danish agricultural history, this is the first example of close cooperation between state and agriculture over a longer period, and it turned out to be simultaneously profitable and disastrous for the Danish farmers, as members felt that valuable associational autonomy – an important part of their identity and self-picture as free, independent farmers – was traded off for influence on state legislation.

The importance of this trademark in Danish agriculture is beyond doubt. It is not only one of the world’s first brands within the dairy sector, but also one of the best known.⁵ This trademark, which indeed has been an important protector of ‘the Danish gold’, was owned by the Danish state from 1911-1997, from 1997-2012 by the interest organization Danish Dairy Board and since 2012 by the Danish-Swedish dairy group Arla Foods. Today, Lurpak butter of a value of 3 billion DKK is sold in more than 100 countries, during the last ten years the sale has doubled, and the trademark has, since its registration in England in 1901, greatly contributed to boost the export of Danish butter.⁶

Hence, using the case of the cooperation between the Buttermark Association (BA) and the Danish Ministry of Agriculture within the theory of a logic of membership vs. a logic of influence, the article addresses the question: *Why did the Buttermark Association – and the Danish dairies and milk producers they represented – wish to cooperate with the state in the first place, and how did this cooperation develop over time?*

1.3. Outline

Section 2 outlines three modes of interaction between state and interest organizations, as a theoretical framework for understanding the case. Then Section 3 briefly describes the historical context and the sources used. Section 4 tells the story of the establishment, rise and fall of BA and discusses the implications of this case of agricultural corporatism. Finally, Section 5 concludes.

2. The dilemma between associational autonomy and political influence

2.1. Three models: pluralism, corporatism and authoritarian corporatism

Overall, the literature on the relation between state and business interest groups reflects two major traditions. The first one is the pluralistic tradition, which asserts the importance of distinct borders between fully autonomous interest groups or interest associations and the state, with a focus on prevailing provision of private goods by profit-maximizing lobby groups.⁷ The second one is the corporatist tradition, which asserts the importance of an ongoing cooperation, or ‘gift-giving’, between private/voluntary and public partners resulting in co-production of prevailing collective goods. Hence, whereas the pluralist model emphasizes “the influence of associations on policy-makers”, the corporatist model directs focus on a “structured partnership between authorities and interest groups”.⁸ In line with this, this article uses John T.S. Keeler’s definition of corporatism as...

a system of interest intermediation in which a limited number of groups within a sector are formally incorporated into the public policy-making process (...) and provided by the state with certain benefits in exchange for their cooperation and their restraint in the articulation of demands.⁹

There is however a third model, which often tends to be ignored, namely relationships where “state influence on interest groups”¹⁰ prevails, that is, a form of statism. Such authoritarian corporatism¹¹ can in its most extreme form be found in totalitarian regimes such as the Nazi regime¹², fascist Italy¹³ or the former Eastern European Communist regimes¹⁴, where business and voluntary organizations after World War II by force were turned into (more or less) obedient state bodies and, hence, transformed into one single organism or ‘corpus’, namely that of the all-encompassing state.

Thus we see that, instead of an either-or approach (pluralism or corporatism) one may argue that an analysis of interest group-state interaction should take *all* three models into consideration. This is to say that we need to study three ideal-typical relationships based on either balanced or unbalanced reciprocity.¹⁵ The three types of relationships can be summarized as follows:

(1) *The pluralist model* characterized by unbalanced reciprocity, where the state loses more than it gains, whereas the interest group wins more than it loses,

(2) *The corporatist model* characterized by balanced reciprocity in the form of a balanced exchange of goods and services between two equal partners, in line with Keeler's definition above,

(3) *The authoritarian corporatist model*, which is also characterized by unbalanced reciprocity but inverted, that is, where the state is the sole winner.¹⁶

2.2. The trade-off between a Logic of membership and a Logic of influence

Seen from the perspective of the interest groups, all three modes of interaction reflect an inherent dilemma between a 'logic of membership' and a 'logic of influence'¹⁷ stretching at a continuum from full autonomy but low political influence to close cooperation with the state and high political influence but weakened autonomy, which potentially leads to conflicts among members and/or between members and leaders. Schmitter and Streeck have accordingly presented this dilemma as a trade-off relationship¹⁸. In line with the *logic of influence*, possible gains from cooperation are organizational security, privileged access to powerful bureaucrats and politicians, influence on legislation and policies, and simply securing that politicians make decisions on the basis of full, or near full, information. In accordance with the *logic of membership*, however, cooperative strategies also contain disadvantages such as risk of too much state control, including over-ruling shared decisions and, in general, the state not keeping its promises; furthermore, risk of dissatisfied members who feel themselves increasingly alienated and disempowered, corruption and lack of critique of the government in the public media.¹⁹ This mode of interaction arguably does not include authoritarian corporatism in its extreme form, that is, fully state enforced cooperation, which typically leads to both low autonomy and low political influence.

Using Schmitter and Streeck's two types of logic, Figure 1 is a model figure that seeks to capture the trade-off relationship between organizational autonomy and political influence.

[Fig. 1]

Assuming a linear relationship where an increase of one unit in political influence implies a drop of one unit in associational autonomy, the model in Figure 1 seeks to reduce all real world complexity. As can be seen, balanced reciprocity is reached in (ideal) corporatism only, balancing associational autonomy in accordance with a logic of membership and political influence in accordance with a logic of influence. Two types of outcomes should however be seen as largely unbalanced. Within a *logic of membership* (i.e. where receptiveness to the demands of members prevails), we find pluralism in the form of lobbyism solely – although gift-giving in the form of pay-backs from lobbyist to bureaucrat ranging from lunches to large amounts of money might of course occur. As mentioned, the pluralist model secures high autonomy but at the same time entails low political influence. In contrast, within a *logic of influence* (i.e. where receptiveness to the demands of state institutions prevails), the wish for political influence – combined with a state institution's wish for 'free' services – might drive a business association towards authoritarian corporatism. As mentioned, in its extreme state enforced form the association will be stripped of both autonomy and political influence, as the state (and not the association) possesses the monopoly of violence at the end of the day (cf. Figure 1).

2.3. The rise and fall of the Danish Buttermark Association

Although useful, the theoretical framework of Schmitter and Streeck appears too rigoristic when employed on real-world events. For example, we can learn from the case of the cooperation between the Buttermark Association and the Danish state 1900-12 that major political influence can in fact be obtained at the expense of relatively little loss of autonomy. However, *transgressing a 'tipping point'* may 'ruin' the trade-off relation and instead lead to loss of *both* associational autonomy/member support *and* political influence as a consequence of authoritarian corporatism – even in a fully democratic state. This was exactly what happened to BA after the implementation of Law of Trade with, and Import and Export of, Agricultural Products of March 30, 1906 – also termed the Lur Brand Law – as illustrated in Figure 2.

[Fig. 2]

Figure 2 condensates the story of the rise and fall of the Buttermark Association that will be told in the following. In contrast to Figure 1, which is an ideal-world model (classical trade-off), Figure 2 is a real-world model that attempts to incorporate the *specific historical context* of a unique case. Hence, instead of a linear relationship between associational autonomy and political influence, a more complex relationship appears, in which an increase of one unit of political influence *not automatically* leads to one drop of one unit of associational autonomy. Instead we see a rapid increase in political influence from a zero-point in 1900 (i.e. the year BA was established) to 1906 (i.e. the year the lur brand law took effect) – an increase that however did *not* damage associational autonomy and member support seriously. However, after the passing of the law, BA appears to have transgressed a tipping point and subsequently lost *both* autonomy *and* influence until the association finally was dissolved in 1912.

From a power perspective, what we see then is that, despite the fact that the lur brand trademark turns out to be economically profitable and exemplary for successful state-private sector “co-branding”²⁰, the crucial event of the implementation of the lur brand law in March 1906 marks a tipping point from corporatism based on balanced reciprocity to authoritarian corporatism implying unequal power relations. Hence the sources document that, after 1906, the dairy sector felt that it lost both associational autonomy and political influence. The reason for this was that the new Ministry of Agriculture (established May 22, 1896) to an increasing degree ‘dictated’ the terms of the use of the trademark as well as added new regulations outside the control of the dairy sector. This development culminated in the transformation of the lur brand into a state trademark in 1911.

3. Presentation of case and sources

3.1. The downside of a success history

As indicated above, Higgins and Mordhorst hold a very positive picture of the cooperation between the dairy sector and the Danish state. In their view the Danish butter export success in the decades around 1900 was due to a timely and beneficial intervention of the Danish government. This intervention led to the development of an effective, state-guaranteed lur brand designed to counter-act fraudulent sale and adulteration of milk, secure inspection of dairies, support research within the dairy

sector, allow for persecution of vendors of false Danish butter, etc. In this article, I will however argue that this is only *half* of the story. Confer Figure 2, I will show that BA reached a balance between associational autonomy and political influence at the introduction of the 1906-law. After this ‘tipping point’, however, the association quickly lost both autonomy and political influence. This weakened trust and cooperative relations between the Danish state on the one side, and the dairy sector specifically as well as Danish agriculture generally on the other.

3.2. Taking care of ‘the Danish gold’

As already mentioned, BA was established as a peak organization for agricultural associations with a shared interest in the highly successful Danish dairy sector. Since the mid-1890s, the production of butter in particular had significantly increased, due to improved export opportunities of what at that time was known as ‘the Danish Gold’ (Figure 3).²¹

[Fig. 3]

Butter exports were supported by newly established, regional butter export associations, and production was eased by technological improvements within dairy microbiology and dairy machinery, such as the development of the continuous milk centrifuge, pasteurization systems, refrigeration equipment etc.²² The butter export had an enormous national economic importance, which is indicated by the percentage of its value of the total Danish export – see Figure 4.

[Fig. 4]

BA was chaired by one of the most active and influential organizers within Danish agriculture at that time, farmer Anders Nielsen (1859-1928).²³ The objective of the association was to “call upon help from the legislative power” in order to further strengthen export of Danish butter.²⁴ This was done by inventing and implementing an obligatory and state-guaranteed trademark of high quality that should be burned or stamped upon all Danish butter packaging (export as well as home market) so that these products would become more recognizable and attractive for consumers and thus further increase a brand value that partly compensated for higher prices, in a good circle.²⁵ This was formulated in the following way in article 5 in the abovementioned 1906 Lur Brand Law:

By royal arrangement, a common mark applying to the whole country must (...) be placed on all packaging of butter (...) produced in the country. The packaging of all Danish butter that is exported must be provided with this mark.²⁶

Such a trademark was primarily established to serve the British market, which was around 10 times larger than the second largest export market, Germany, where the lur trademark was registered four years later, in 1905 – see Figure 5.

[Fig. 5]

As a peak organization – that is, an organization comprising a number of interest associations within a particular sector in society – the BA was designed to negotiate

with public authorities. For the same reason, it was particularly vulnerable to state influence and consequent internal riots among members.²⁷ In the decade before World War I, the board members had regular negotiations with the Danish state in order to obtain a law-supported brand that should guarantee that only high-quality Danish butter was sold. However, during the period the Danish Ministry of Agriculture would take on an increasingly commanding tone and not automatically follow the requests put forward by the BA board. This development came as a the great chock to the farmers – a chock that quickly spread from the dairy sector into all other agricultural sectors as well, laying the ground for subsequent severe clashes with the, due to World War I, highly regulatory Danish state 1916-18.

3.3. Corporatism in the making

What we see, then, is an interesting case of *corporatism in the making*. For the first time in modern Danish agriculture, a long corporatist track was followed. This happened in the form of a gradual and somewhat ‘insidious’ slide on a slippery slope seen from the perspective of the farmers – from self-organization and full independence to state control and state dependence. Farmers indeed saw the results as economically profitable, as state sanctioning would (and could!) guarantee the effectiveness of their new butter trademark and, hence, increase sales. However, at the same time the slide from full organizational freedom to dependence on state agencies ‘dictating’ the behavior of formerly proud and fully independent farmers was seen as downright humiliating.

This development reflects a new international trend in the relationship between states and farmers at that time, namely the urgent demand for a more regulated agriculture, as for example can be seen in the case of the meat industry.²⁸ This regulation was not merely dictated from above, from the state power. It was partly sought after by consumers – in this case British consumers who wanted to be sure about the origin of the butter – partly by retailers, and partly by the producers themselves. The dilemma of the positive and negative consequences of political regulation has prevailed in most countries ever since, in particular after World War II, and it can clearly be observed in today’s relationship between the Danish state and the agricultural associations.²⁹ As such, the Danish case mirrors similar developments towards agricultural corporatism in countries like USA, where an increasingly powerful Department of Agriculture developed from the 1880s to the 1930s³⁰, in Japan where – similar to the Danish case – especially leaders within the agricultural cooperative enterprises became engaged in policy-making as well³¹, and in Western European countries such as England³² and the Scandinavian countries.³³

3.4. The sources

To investigate the development of the BA, I have used both primary and secondary sources. Secondary sources have been used to account for the organizational context of the establishment of BA and include a number of authoritative works by agricultural, economic and business historians. As no thorough and coherent account of the BA exists, I have used primary sources as well. The most important primary sources consist of printed articles primarily taken from the weekly magazine for the Danish Cooperative Enterprises, The Cooperative Magazine (*Andelsbladet*, abbr. *Ab*), yearbooks 1900-1, 1903-5, 1907-12. Apart from a few debate articles, I have used the BA minutes from board and general assembly meetings published in The

Cooperative Magazine. The articles in *Andelsbladet* are of course public documents, which may hide important things going on ‘behind the curtains’. To get access to less public arenas, I have used the book *Excerptps from the previous history of the BA as well as an Account of the first 5 years of work* (Uddrag af D.M.S. Forhistorie samt Beretning om de første 5 Aars Virksomhed), issued in 1906 by the BA board represented by the chairman Anders Nielsen. Besides, I have used archive material from the Danish National Business Archives, primarily letters from state commissioner of the Danish sales of butter in England, Harald Faber, who – together with Anders Nielsen – was a main driving in conceiving and implementing the Danish lur brand.

4. The rise and fall of the Buttermark Association

4.1. Background

As in many Western countries, liberalism reigned in Denmark during most of the 19th century, while corporatism dominated during the 20th century. Especially in the decades around 1900, a lot of peak and umbrella organizations were formed – the so-called ‘co-working’ organizations, termed *samvirker*, most of which were purposively designed for state cooperation. They also included many agricultural associations which, since the middle of the 19th century, largely had been organized as cooperative associations.³⁴ Agricultural corporatism escalated during World War I and culminated in the establishment of a near all encompassing³⁵ peak interest organization in 1919, the so-called Agricultural Council. As the name indicates, this council was formed in order to allow Danish farmers to give running advice to, and negotiate directly with, the state on important, agricultural matters. The Council became particularly active and powerful in the growing agricultural corporatism during the crisis stricken 1930s, including influence on agricultural state subsidy programs.³⁶

The first serious attack on trade liberalism in agriculture came in connection with the so-called *Butter War* 1887-1888, also called *The Margarine War*.³⁷ Similar to what happened in other Western countries like USA³⁸, many farmers struggled for “clean country”, that is, they wanted the state to take action against the industrial artificial butter, margarine, which in Denmark had been produced since 1883.³⁹ The advocates of protectionism sought alliance with the state power. Consequently, in 1885 a motion of a new law was carried with the purpose of guaranteeing export of ‘clean’ butter, not least to the profitable English market, by requiring that artificial butter should be clearly labeled *margarine*.⁴⁰ A second ‘margarine law’ of 1888 prohibited the coloring of margarine.⁴¹ In this way, The Butter War triggered collaboration between agricultural associations and the state power, however at a relatively low scale, as it mostly became an internal strife between politicians.⁴² However, the concerns for securing a non-adulterated, high-quality butter with an ascertained country of origin continued through the 1890s.

During the crisis from the mid 1870s to the 1890s, the price level of agricultural products had fallen with 20-25%, but the years from the end of the 1890s to World War I became an economic upturn for Danish agriculture with general price increases approximating 30%. The price improvement was accompanied by modernization of Danish agriculture leading to increased productivity and increase in both the quantity and value of agricultural exports. Despite strengthened competition from the industrial, trade and transport sectors, the agricultural sector’s contribution

to the GDP was holding steady at around one third of the total.⁴³ The value of exported butter peaked about 1900, making up roughly 40% of the total value of Danish exports.⁴⁴ 90% or more of Danish butter production was exported to Great Britain.

[Fig. 5]

4.2. Establishment of Danish Dairies' Buttermark Association

One of the most prominent and powerful mediators between state and agriculture was the abovementioned farmer and agronomist Anders Nielsen. This mediating role was perfect for Nielsen, who himself was both an active politician (e.g. MP 1908-9) and founder and chairman of a host of agricultural interest associations. Besides, Nielsen was editor of one of the most important mouthpieces of Danish agriculture at that time, The Cooperative Magazine (*Andelsbladet*), issued for the first time in year 1900. Nielsen took a particular interest in the dairy sector and, not least, the export of butter. Hence, in 1904 he founded Danish Dairies' Cooperative Butter Export Association, which would get support from dairies from the whole country.⁴⁵ In 1899, Nielsen had taken an active part in the discussion of a joint trademark for Danish butter, the aim of which was to prevent that "Danish butter home and in England was confused with foreign butter".⁴⁶ At the end of the 19th c., "Danish butter" was not only used by foreign dairies and butter traders as a false trademark. Also an increasing number of Danish dairies and butter traders imported foreign butter and exported it under the label of Danish butter, in particularly in Copenhagen.⁴⁷

The idea of a trademark that "could not be easily reproduced"⁴⁸ was not new. It was formulated for the first time in 1888 by agricultural experts. Three years later, in 1891, a law bill was proposed by 6 parliament members suggesting that barrels of butter should be supplied with a national trademark and that these barrels "must only be bought or sold (..) if they contain Danish butter".⁴⁹ Further, in 1896 a committee was established. Among the members was the future chairman of BA, Anders Nielsen. The minutes from the meetings in this committee show that the idea of a state trademark was introduced right from the start. Hence, at a meeting in March 1897 five points were proposed as a basis for...

guarding us against foreign butter being sold as Danish in England", the three most important being 1) "to *require* that all Danish butter should be labeled "Danish Produce"", 2) "to *require* that all foreign butter is marked with names of local origins, which not must be erased", 3) "to *offer* that the Government makes a registration of all Danish dairies that want to join, as well as assign them a registration number or name, which must not be erased, and *require* that the Government keep control of [these dairies]"⁵⁰

In these early meetings, a recurrent argument for a trademark was the "protection of the good reputation of the Danish butter and its good market in England", and as "Danish butter is better than the majority of butter from other origins exported to England, the state trademark will prove important as a tool to discern between Danish and foreign butter".⁵¹ In this way, it would be possible to keep Danish agriculture "a horse head in front of all others", as it was expressed.⁵² Moreover, the initiative was based on a *moral* campaign as well, which for example is revealed in a letter of Nov. 1902 from the state commissioner of Danish butter sales in England,

Harald Faber, who together with Nielsen became the most important architect behind the lur brand.⁵³ However, a row of difficulties quickly arose – difficulties that were to afflict the BA in many years to come. These difficulties mainly consisted in problems with both Danish and English law, how to design an efficient trademark that could be formally registered, how to solve all the technical problems⁵⁴ associated with implementing such a trademark (numbering, package, customs duty, registration of dairies, etc.) and, most importantly, how to finance and keep effective *control*, including detection and punishment of swindlers. It was realized that the original 1891 bill had failed due to the impossibility of carrying out such a task in real life. Thus it was stated by the chairman of the committee, J.C. la Cour:

It is definitely not the first time this case has been introduced to the legislative power; on the contrary, it has been the object of intense and sharp debate, and those people who wanted to promote this case gradually realized (...) the great difficulties [and that] what the law bill intends cannot be achieved.⁵⁵

Besides, there was a fear that the trademark simply would function as a lowest common denominator (*Egaliseringsmærke*) rather than a mark of high quality (Nielsen 1906, pp. 15, 18).

Apart from technical problems and the fear that a trademark should turn out to be economically counterproductive, there was a more fundamental dispute about whether using the trademark should be voluntary or compulsory.⁵⁶ In the first case, the assistance of the state was not needed, which indeed suited the dominant liberalistic mindset among farmers of that time.⁵⁷ However, the downside was the risk that not all dairies would join. If the trademark was made compulsory, the farmers would certainly need the assistance of the state, not only in order to introduce a new law but also to secure subsequent, effective control, which otherwise would become “incalculable” for the farmers themselves.⁵⁸ The downside was the risk of being subjugated to the “welfare of the state” (*Statens Forsorg*).⁵⁹ To start with, the general opinion was that “all dairies would apply a state trademark without compulsion”⁶⁰, as it was expressed by Nielsen at a meeting in March 1897. The evident disadvantages of such an agreement however gradually made the BA board members change their minds.

So we see that, in the last years of the 19th century, the matter was eagerly discussed but no real solution was achieved.⁶¹ Local farmers and dairies became increasingly impatient. For example, at a meeting in The Coordinating Dairy Associations in Jutland in 1899 the following typical resolution was agreed upon: “The representatives of the dairies will do everything they can to hinder that Danish butter at home and in England is confused with foreign butter”.⁶² At the request of several of the leading men in the dairy industry, here not least the Danish agricultural commissioner in charge of British butter exports, Harald Faber, London⁶³, together with English purchasers and vendors tired of the bad stories of Danish butter in the English press,⁶⁴ Danish Dairies’ Buttermark Association was finally founded at a meeting in September 1900. The famous Danish lur brand, which the association introduced hereafter, had a major significance for sales – not only as a guarantee of origin but also as a guarantee of quality⁶⁵, because dairies simply were excluded if they did not deliver high-quality butter.⁶⁶ Hence, it certainly did fulfill “its purpose of consolidating the excellent reputation of Danish butter”.⁶⁷ Indeed, it became so successful and well-known that the concept later was to be copied in other

countries.⁶⁸ Not least thanks to the association's dedicated chairman, Anders Nielsen, all dairies quickly joined voluntarily, and by July 1906 1315 dairies were members, which meant nearly all Danish dairies, cf. Figure 6.⁶⁹

[Fig. 6]

The idea of the lur was conceived by farmer Rasmus Rasmussen on a trip to Copenhagen in autumn 1900. In a quite annoyed mood, he was returning back from a futile meeting in the Buttermark Association, where members again had failed to agree upon a national butter quality brand. Rasmussen later remembered that, while standing at a ferry deck at night and looking up at the starry sky, he suddenly got the idea: "I want to blow it all away and then, picture myself a lur blower who puts the lur to his mouth. In that moment I knew that the lur was the symbol we had looked for". October 23, 1901, the lur brand was finally registered in England after huge problems with getting the registration approved.⁷⁰ The logo showed four interlaced lures with the inscription "Danish Butter" (Figure 7).

[Fig. 7]

4.3. The years 1900-1906: the development of a strong interest organization

In general, Danish agricultural associations had significant influence on agricultural politics in the decades around 1900, exemplified by the establishment of a law of cooperative enterprises 1909-17.⁷¹ As mentioned, the 'Butter war' had been precedent for *quid pro quo* cooperation between the dairy sector and the ministry of agriculture. Another more recent example was the successful 1898 law – the first of its kind in the world – on mandatory pasteurization of the cream from which the butter was churned.⁷² Now, resuming what they referred to as the "legislation road"⁷³ the BA board wanted the remaining dairies to join. However, in the beginning Nielsen and his fellow board members did not succeed to get any legal help from the state.

As mentioned before, there were eager disputes on whether dairies should join voluntarily or compulsory, by the help of the state.⁷⁴ In 1903 the board nevertheless made a dramatic change of paragraph 2 in the articles, shifting from a principle of voluntariness to enforcement. The original statement "The Board provides a trademark registered in Denmark and England [which] will be used for all butter that the members produce for sales" was changed to "All export butter must carry the lur brand logo".⁷⁵ In his annual report for the year 1903, Anders Nielsen explained the following about the change in paragraph 2 and the increased self-control within the dairy sector this implied:

Now that it has turned out to be impossible with the help of the law to hold responsible those of our members, who will not comply with the board on matters concerning the control of butter, *there is no other way* than to make members aware that we ourselves have to provide that guard of our [lur] trademark that the law does not offer. [Therefore] we must state in our laws that members can be punished by paying penalties, if they order a trademark in any form from elsewhere.⁷⁶

The shift from voluntariness to coercion was made even clearer in December 1903 when the BA asked the Liberal government to raise a bill of "A Law of Trade with

Butter” in parliament. By this was meant a statutory trademark encompassing *all* Danish butter – export as well as home market butter. Here BA proposed a compulsory use of the lur brand, which should be owned by an agricultural organization (BA itself or another dairy organization). A division of labor was outlined, in which the role of the Ministry of Agriculture primarily was to control that the law was not broken (paragraph 8). Moreover, BA emphasized their great success in making the Danish dairies join the association voluntarily.⁷⁷ Thus, immediately after the proposal it was added:

After only 2 years of work on the road of voluntariness, we have achieved that (..) all Danish export butter carries the lur brand – only 15 dairies are not members of the Buttermark Association (..). It will therefore be in the interest of the whole dairy sector to introduce a law that requires that all Danish export butter must carry the lur brand. Such a law will at home [in Denmark] only be of formal nature; but in England it will offer a security of the national origin, such as the Buttermark Association, whatever efforts it makes, not could attain by its own authority.⁷⁸

Moreover, the *moral* argument was again stressed:

The conditions are so unhealthy that honest trade (..) cannot survive in the competition, as it is now displayed in the whole country”.⁷⁹ And what regards state control, it was added that “it is up to the Ministry to decide [how to deal with lawbreakers]. However, the margarine control will probably be able to carry out this control as well.”⁸⁰

In the Cooperative Magazine in 1904, Nielsen first emphasized the progress the BA had made by including the dairies on a voluntary basis. However, he now warned:

But the day the control is slackened either through inadequate execution, or that we due to inadequate mutual solidarity neglect to fill out the holes, which are created due to changing trade conditions, or as the legislation’s shortages are revealed, then the utility, which the association has had in promoting honest and trustworthy butter trade, will be destroyed. To make this arrangement stable and encompassing all Danish butter for export as well as all butter in retail trade [in Denmark], we have called upon the help of the legislative power.⁸¹

This statement clearly expresses the slide from self-dependence and voluntariness to political influence, legal compulsion and state dependence – cf. the model in Figure 1. That is to say that Nielsen and BA had ended in a classical dilemma of corporatism, attempting to balance between Schmitter and Steeckaert’s two logics mentioned above. In line with a *logic of membership* they had to promote core values of a ‘cooperative ideology’ based on voluntariness, democracy and member influence to forestall critical voices from ‘within’, that is, among fellow farmers. In line with a *logic of influence* they wanted to provide a permanent good for the dairy sector. And, they were convinced, this good could only be provided with the help of the state power and, hence, statutory compulsion.

Finding himself in such dire straits, it becomes less surprising that Anders Nielsen in his annual report for the year 1904 underscored the compulsory element of the fruit of BA’s lobbying work – the bill on “Trade with and Import and Export of Agricultural Products” proposed by the Minister of Agriculture – a bill that was exactly in line with the wishes of the BA and their partners. Besides, he added, there was in parliament an understanding that the BA should administer the law itself “so that the representatives of the dairies will get the matter in their own hand under

similar organizational forms as previously”.⁸² Hence, put in theoretical terms Nielsen and BA hoped to mediate between the two logics of business-state cooperation and thus achieve an optimum in the form of *balanced reciprocity* in a win-win exchange: The state provides a collective good for *all citizens* (increased export of butter, which is good for the whole nation’s economy) and does it for ‘free’, that is, without paying the costs of control and monitoring; while the business association provides a shared good for *all their members* (compulsory use of the trademark leading to increased quality, better reputation and increased incomes for its members) and still preserves associational autonomy.⁸³

The intention was now that the new trademark law – supported by the abovementioned pasteurization law – should enforce the common good. This was out from the reason that when “the lur brand guarantees that the butter is Danish and the state guarantees that Danish butter is pasteurized, then the lur brand will to the customer be the only guarantee that the butter is pasteurized”.⁸⁴

Within dairy circles no-one could seriously deny that the lur brand case was a good case – just like its predecessor, the pasteurization case. Nevertheless, critical voices were heard. For instance, in 1901 the magazine *Butter Tidings* (*Smørtidende*) brought a row of articles criticizing the butter trademark. The main arguments in these articles were summarized in an article in Nielsen’s own *Cooperative Magazine* in 1901. In the article, it was sarcastically said that the butter trademark in Copenhagen as well as in London had been received with “complete indifference”. Further, one reads:

Time has taught us to look with both gentle and resigned eyes upon the reforms for the furtherance of the butter export, which the gentlemen consultants bring forth (..) Only we are still in doubt whether the disadvantages and dangers [that the butter trademark involve] are not greater than the possible advantages, which it may bring.⁸⁵

Such criticisms are also reflected in BA chairman Anders Nielsen’s annual report in 1903, in which he states that there had been raised doubts about the butter trademark from “several, less friendly sides”.⁸⁶ Later on, the critique was sharpened from the side of BA’s member associations within the dairy sector, where it was felt that members’ decision power was rapidly declining. A typical statement was made by a chairman of a local dairy: “The dairy associations have established the Buttermark Association, however it has completely taken over the command”.⁸⁷

However, to begin with the local dairies backed up the law despite the fact that the BA obviously meant a violation of the co-operative ideology, which had slowly grown up in the single local communities, and wherein any state control and law regulation had been perceived as evil.⁸⁸ These were clearly calmed by the rational, economic nature of the arguments combined with the state’s promise to the dairy organizations that they should administer the law themselves. In the *Cooperative Magazine* in 1905 the rapprochement towards the legislative powers was praised from many sides and also in the editorial preface (probably written by editor Nielsen himself), where the proposed bill of a mandatory butter trademark was wished a “happy passing”. Clearly hinting to shared, core cooperative values, it was then further added that “no social class can lose thereby”.⁸⁹

With the law of March 30, 1906, the ‘good cause’ of the lur brand had been codified in formal law. From now on, self-discipline and voluntariness within the sector was backed up or, maybe rather, exchanged by legislation and threat of

punishment from the side of the state. So far – so good. But how did the BA balance the trade-off relation in the following years?

[Fig. 8]

4.4. The years 1907-12: associational autonomy vs. state enforcement

For the public institution that cooperated most closely with the agrarian associations, the Ministry of Agriculture, the butter brand case was a determining breakthrough paving the way for still more regular interaction between agricultural and public corporate actors from the beginning of World War I and – except for a couple of years in the 1920s – to the end 1940s. In such an ongoing row of reciprocal exchanges, the dairy organizations as well as the other agricultural organizations had an increasing interest in gaining insight into, and actively influence, the legislative work – especially seen in the light of the state bureaucracy taking an increasingly powerful role in society from the turn of the century. Conversely, politicians from all camps had an incentive to incorporate agricultural and other business associations out from a general tax economic interest in being able to control, monitor and facilitate production, as well as a purely party-political interest in being able to legitimize their legislative work to the population by referring to close collaboration with peak organizations within the private sector. Besides, the new Ministry of Agriculture may simply have had an interest in ‘getting work for itself’. Thus Anders Nielsen clearly alleges to ‘budget maximization’⁹⁰ concerns when he writes that “the Ministry declared that [the lur brand law] gave it more to administer than had been the case with any previous law”.⁹¹

The sources clearly indicate that it was due to the efforts of Anders Nielsen that the BA was transformed from next to nothing in 1900 to one of the most powerful joint representations in the dairy sector from 1906 to 1912. Unlike other dairy organizations, it included *all* dairies.⁹² This was clearly one of the reasons why Anders Nielsen did not want to close down the association after the lur brand law had been passed, and the association’s *raison d’être* had disappeared. Those members who cautiously voiced a desire to leave the whole matter to the state after the lur brand had been turned into a state trademark were severely put in place by their chairman. At the annual general assembly meeting in 1907, such a line of thought was formally dismissed with the somewhat surprising argument that the association “has its origins back in the past century” and therefore “is not related to present day’s ideas of autonomy”. This did not prevent Anders Nielsen, who in the first quarter of the 20th century was the driving force behind a host of centrally staged and centrally managed co-operative associations, to see himself as an advocate of autonomy and power decentralization. It was exactly the vision – or illusion – of an equal partnership with the state, which was the basis for this somewhat paradoxical world view:

I do not praise the view that you should leave more to the state than necessary – on the contrary, I praise the view that the government should keep a diligent connection with the organizations and hear their opinions on the matters – just like the way the present Ministry of Agriculture works in several areas. I think that those who attack this custom of the state fail to understand their time.⁹³

It would quickly turn out that the BA still had a role to play after 1906. It did however not become that strong interest group enjoying the full support of all dairies that Anders Nielsen had dreamt of, and which he wanted to use as a tool in a harmonious collaboration with the Ministry of Agriculture. Instead, BA became the weaker part in the negotiations with the state and gradually lost the loyalty and back-up from their members.

Despite the clearly beneficial effect of the lur brand on the export market and Nielsen's promises of what may be termed an 'autonomy clause' on the law, the Buttermark Association and especially its chairman were the objects of still more harsh criticisms – both internally and externally – in the years leading up to World War I. There was a general distaste of Nielsen's way of either patronizing or threatening members, which internally – within the agricultural cooperative movements – was intended to keep order in the lines and externally to defend the cooperative associations against urban critics who wanted to "undermine the co-operative cause".⁹⁴ The controversy can also be detected in Nielsen's relationship with state commissioner Harald Faber, with whom he had collaborated closely on a state trademark since the year 1900 – a relationship that somewhat cooled down after 1906. Thus, the numerous letters from Faber to Nielsen before the trademark law in 1906 indicate that a friendship between the two slowly developed.⁹⁵ Although they continued to share a common interest in the *case* and solving various technical problems, a fundamental disagreement is revealed – most explicitly in a letter of March 11, 1907. Here the state employee Harald Faber reveals his loyalty to the Ministry of Agriculture in an, for him, unusually direct manner. First, he informs Nielsen that he has "recommended [that the trademark] is registered in the name of the Ministry itself [signed by the Head of the Ministry Department]". Later on, he adds:

When you [Anders Nielsen] talk about possible dissatisfaction among dairy people and a feeling that you could just as well have arranged everything by use of an organization of dairies, then I fully agree with you, however only on the assumption that we have been so reasonable to resign ourselves to that excellent arrangement we made at the establishment of the Buttermark Association and kept the state outside and not demanded the trademark protected by law.⁹⁶

In a letter of April 23, we find the same reasoning in connection with the BA's proposal to change the control numbers implemented by the Ministry of Agriculture – an acknowledgement of the state taking over, a message that Faber apparently tries to convey to Nielsen without hurting his feelings too much:

I am sorry to say that I am not enthusiastic about the new proposal [from BA], and that my opinion is that it will weaken control of frauds (...). Maybe I do not quite understand your purpose, however I cannot help to think that if the [lur brand] numbers are included in the announcements of the Ministry, then a significant part of the remaining *raison d'être* of BA disappears (...) In other words, the lur numbers will end like the lur brand: when one gives up the voluntary, mutual coercion in order to delegate work and responsibility to the administration, one will experience a much higher degree of coercion.⁹⁷

A much more concrete and explicit disagreement can be seen in the complaints over all the inconveniences the law caused in the daily work at the local dairies. As a consequence, Anders Nielsen and the other members of the BA consisting of dairy managers and dairy associations were forced to try to get the law revised. They

however failed. Gradually, political influence was slipping out of their hands. In 1910 it was therefore a disillusioned chairman who stated:

It was our precondition that the Ministry in its administration of the trademark law would approach the [BA] organization and lean on its experience, wishes and advice. In the beginning, the Ministry was fully in accordance with such a view (..) and the Ministry wrote: As the administration is laid in the hand of the Buttermark Association, the association can decide over a number of details, and it must have an extensive freedom of action (..) However, soon a change took place [and the Ministry] showed an increasing reluctance to follow our directions.⁹⁸

The negotiations on the revisions of the law 1908-1911 did not only become a failure, they totally reversed the power balance between BA and the Ministry of Agriculture. A ‘good’ case, which solely was supposed to be quickly confirmed by the state and then left again in the hands of the farmers, ended up in law stickling and ultimately in enforced legislation, that is, a legislation stripped of self-governance and self-control seen from the perspective of dairy people.

This nightmare began after the dairies and their organizations, as a follow-up of the 1906 law, had been pressing for the passing of a law concerning a limit value of water contents in export butter. The Ministry’s public servants were at this time already at work with revising the 1906 law, for which reason such a regulation could fittingly be put into this new bill. However, the dairy organizations had a most peripheral role in these negotiations – so that, already in 1908, the BA felt obliged to request the Ministry that the dairy organizations could “get an opportunity to speak before a possible revision of the law took place”. “There was”, Anders Nielsen continued, “reason to request this, since [the ministerial officials] did not go to the dairy organizations for advice before the law was passed and the time for it to come into force was determined”.⁹⁹

When the BA members had finally achieved to express their wishes at the negotiation table, they found out at the release of the ministry’s bill in the beginning of 1910 that some regulations concerning health and cleanliness had been added without their knowing, even though it was explicitly stated in the bill that these added regulations were worked out “in consultation with representatives from the joint representations of the dairies and the trade business”; moreover, an added part on state control of dairies, which had equally been made “after recommendations from the joint representations of the dairies”.¹⁰⁰ These additions came as a shock for many within the dairy sector. As it was written on February 25, 1910, in the magazine Dairy News:

[All these supplementary regulations] we could have understood, as long as it had been the dairy industry, which had made a wish to the state about authorizing these regulations, but that the state will force it through is to us incomprehensible.¹⁰¹

In answer to this bill, and with the knowledge that the bill could not be changed substantially, the dairy organizations sent a resolution to the Ministry, wherein they as a minimum demanded that the quite ‘clingy’ term “in consultation with” be replaced with the somewhat more neutral “after recommendation from”.¹⁰² This demand was completely overlooked by the agricultural minister, who even used the phrase “in consultation with” many more times in the revised draft of the bill. Moreover, the agricultural minister redefined the wording “in consultation with”. By

this was meant that, after one such consultation, “the Ministry afterwards decides whether the wishes put forward at the consultation can be granted”.¹⁰³ Regarding the highly controversial provision on state dairy control, several of the dairy organizations had immediately declared themselves against “that there be hired state government officials undertaking the control”. Instead, they offered to undertake the task themselves.¹⁰⁴

[Fig. 9]

During 1906-12, BLA member critique became increasingly merciless. In an article from 1910, Nielsen and a fellow board member could not help regretting and complaining:

We hardly knew the word critique before the participation of the Ministry had been determined by law, and even at that time [in 1906] all cooperative dairies joined the Buttermark Association; in total there were at that time (..) only 13 – thirteen – dairies in the country, which were not member of the association.¹⁰⁵

Things even worsened when the third reading of the bill at the parliament saw its light in spring 1911. Under paragraph 7 the Ministry had, for whatever reason, made the addition that the lur brand should be erased from the Danish trademark register. This would mean that the trademark could probably be used in England but not in other European countries – something that was outrageous and completely unacceptable to the BA. As a consequence, the trademark was finally given to the state – something that was officially declared in a statute of March 9, 1911 and confirmed at an extraordinary BA assembly in April, 1911. The association’s last annual general meeting in April 1912 was marked by self-critical reflections and a general loathing of a supposedly simple and honorable case, which ended up being highly “blurred” and “complicated”, and which never should have been brought before the legislative power.¹⁰⁶ Thus, Nielsen concluded that...

this regulation [under paragraph 7] is fatal, because by adding it the proposer – the Ministry of Agriculture – has prevented itself and the legal power from fulfilling the wishes [of the organizations within the dairy sector] to obtain an authorized lur brand and, by the help of the state, to provide Denmark with the greatest protection and the exclusive right to use it. However, by erasing it from the trademark register its authority and our exclusive right to use it have been undermined.¹⁰⁷

The articles in *Andelsbladet* show that the board members repeatedly confirmed each other in the fact that they would counter-act the expected merciless critique from the dairy associations with a declaration on a complete unconditional surrender of the lur brand to the state, which is why the Ministry of Agriculture alone could be held accountable for the design of the law, allowing the BA to “clearly disclaim the responsibility of paragraph 7”.¹⁰⁸

Thus we see that, during 1906-12, BA member critique became increasingly merciless. What had they gained from this transaction – for ‘selling out’ the farmers’ self-governance? Nothing! declared Anders Nielsen and a fellow board member in an article from 1910, and not without bitterness, after a wave of hard personal critique from inside and outside the BA.¹⁰⁹ Hence, we may conclude from this case that it is a simplification to talk about a classical trade-off relation between associational

autonomy and political influence when cooperating with the state. Even in democratic, non-totalitarian states such as Denmark, it may be difficult to reach a balance of reciprocity as the one found in an 'ideal' corporatism in Keeler's understanding, that is, access to "public policy-making process" in exchange for "certain benefits".¹¹⁰ Therefore, the challenge for the interest organization seems to be *not* to transgress the tipping point that seriously disturbs the balance between autonomy and political influence – similar to what did the BA in 'greedy' search for even *more* political influence. Instead, it should attempt to keep a certain distance to the state body after having exerted political influence, e.g. on state legislation.

The glory and fall of BA should of course also be seen in the *specific historical context* of the rapid growth of butter exports and a new Ministry of Agriculture, which increasingly wanted to secure this growth. Hence, in a way BA became a victim of its own success. It contributed significantly to boost the exports of Danish butter and, as such, the national economic value of this sector. To safeguard this economic success, the Danish state gradually took over responsibility from a voluntary farmers' interest organization. Milk producers and dairies saw this as a violation and an attempt to overrule the sector. However, one may also interpret the behavior of employees within the Ministry of Agriculture as a highly rational attempt to safeguard 'the Danish gold'.

5. Conclusion

As shown in historical studies, it may be risky for voluntary business associations to cooperate closely with the state. Trapped in an apparent trade-off relation between a 'logic of membership' and a 'logic of influence'¹¹¹, these associations may profit from cooperation in the form of increased political influence. The cost may however turn out to be loss of associational autonomy leading to increasingly alienated and dissatisfied members. Within this theoretical framework, the article addressed the question: *Why did the Buttermark Association specifically, and Danish dairies and milk producers more generally, wish to cooperate with the state, and how did this cooperation develop over time?* To provide an answer, it told the instructive story of an agricultural association trapped in the autonomy-political influence dilemma, namely the Danish Dairies' Buttermark Association. During its cooperation with the Danish Ministry of Agriculture on the famous butter lur brand 1900-12, it turned out that the relation between associational autonomy and political influence developed as a trade-off relation until the law on mandatory use of the lur brand by all Danish dairies came into force in March 30, 1906 – although the drop in autonomy and the concomitant member support was very small in comparison with the great political influence achieved. However, after 1906 both autonomy, member support as well as political influence slipped rapidly away, transforming cooperation into authoritarian corporatism based on unbalanced reciprocity in favor of the state.

At the turn of the century, it had seemed so simple to everyone within the Danish dairy sector to get cooperation with the state on track. However, cooperation ended with – as it was drily stated by a BA board member in 1912 – "that the 'contract' between the government and the association had been terminated by the agricultural minister, and that they [the Buttermark Association], from the view of the state, had become superfluous".¹¹² The struggle for political influence had evidently been pushed too far by Nielsen and his fellow board members, transgressing the tipping point between associational autonomy and corporatism.

Going down the corporatist track, BA expected unbalanced reciprocity in its *own* favor (making the Ministry of Agriculture ‘follow our directions’) from start to end. However, the relationship with the Ministry actually led to an extremely unbalanced reciprocity *in favor of the Ministry* (‘after a consultation the Ministry decides’), that is, authoritarian corporatism, leaving BA stripped of both associational autonomy and political influence, until it finally was dissolved in 1912.

In this sense, the corporatist strategy had failed, even though the lur brand both then and now is an economic success story. By 1910, BA in fact became increasingly useless and redundant in the eyes of both members ‘inside’ the dairy sector and state actors ‘outside’. Hence, voluntary provision of a shared good within the sector was fully overtaken by the state, and the lur brand was finally turned into a state trademark in spring 1911.

Hence we see that corporatism may be a win-win game when balanced reciprocity is obtained. It may however be very difficult to achieve this delicate balance – even in democratic, non-totalitarian states. Therefore, the challenge for the interest organization seems to be *not* to transgress the tipping point that seriously disturbs the balance between autonomy and political influence but, rather, seek to remain fully independent after having exerted political influence, e.g. on state legislation, alternatively voluntarily dissolve itself in case main objectives have been achieved. The story of the Danish Buttermark Association clearly tells that cooperation may quickly end up with ‘the winner takes it all’. And, most likely, the winner will be the state.

Figure 1. Cooperation between interest associations and the state: The trade-off relation between interest associations' autonomy and their political influence (model figure).

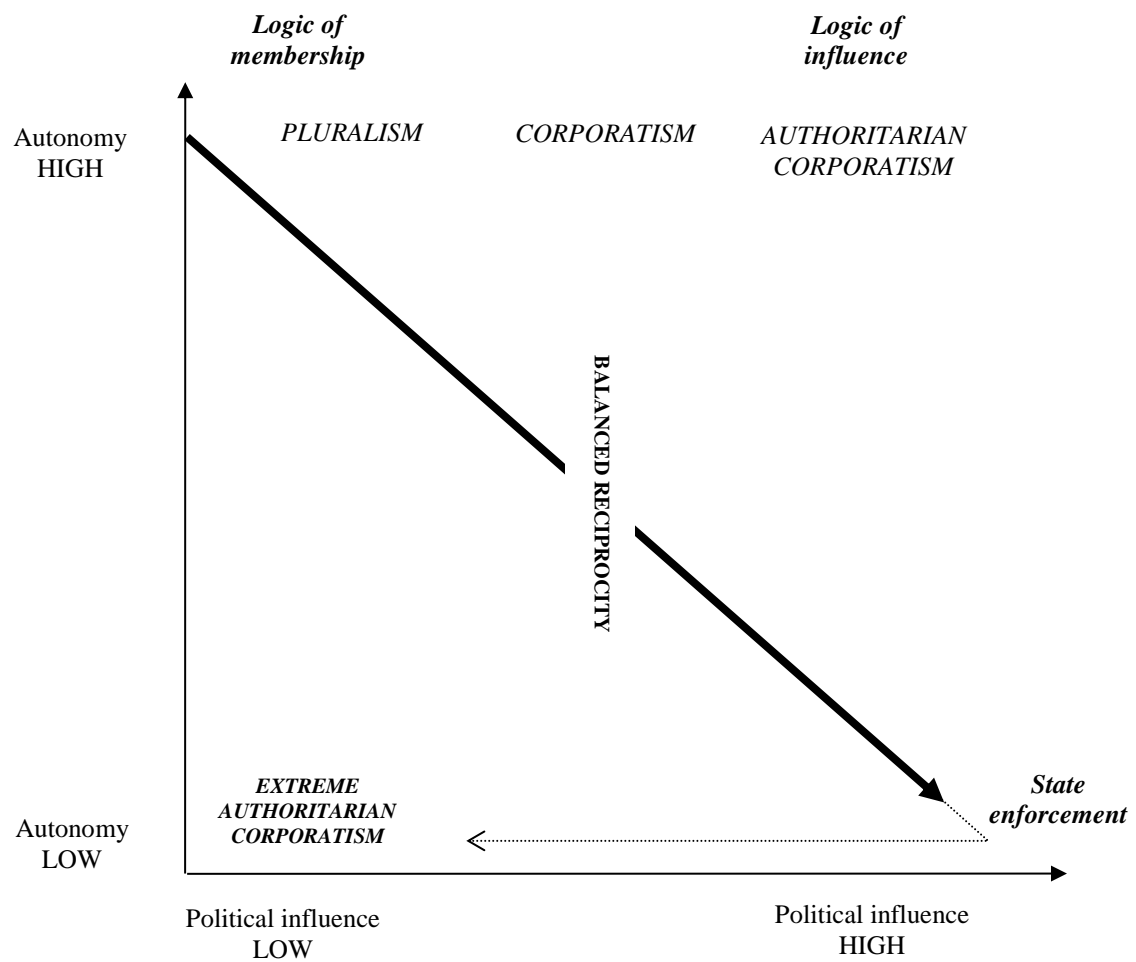


Figure 2. Cooperation between interest associations and the state: Balancing associational autonomy and political influence. The case of the cooperation between the Buttermark Association and the Danish state, 1900-1912.

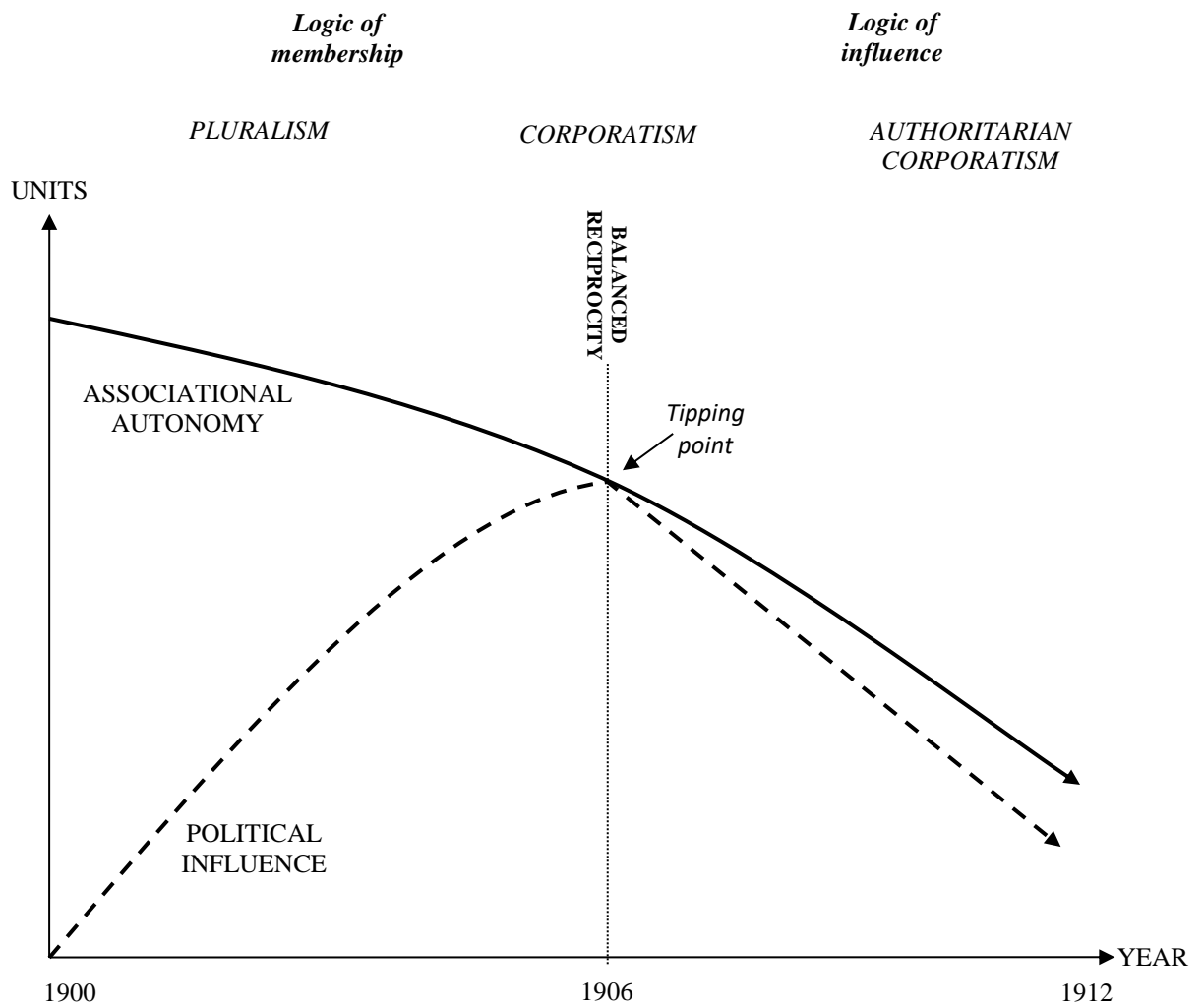


Figure 3. Butter production in Denmark, 1870-1914 (in thousand tons). Source: Bjørn (1982, p. 124).

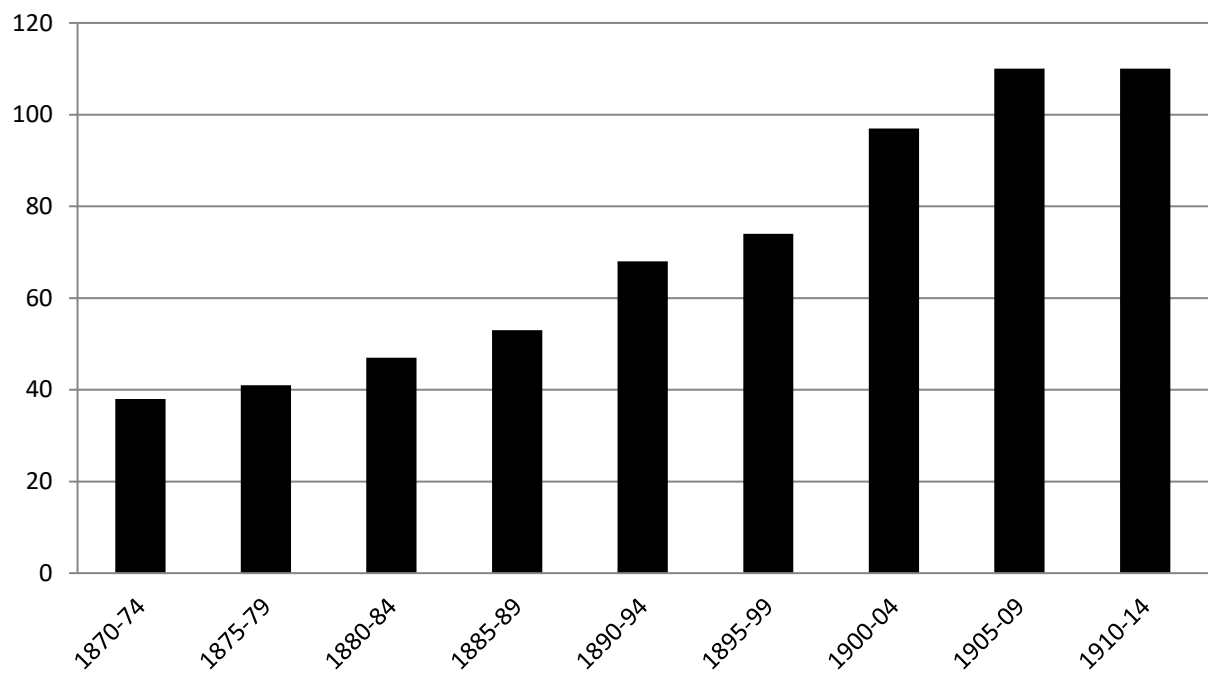


Figure 4. Production and export of Danish butter, 1900-1965. Reproduced from Bjørn (1982, p. 196).

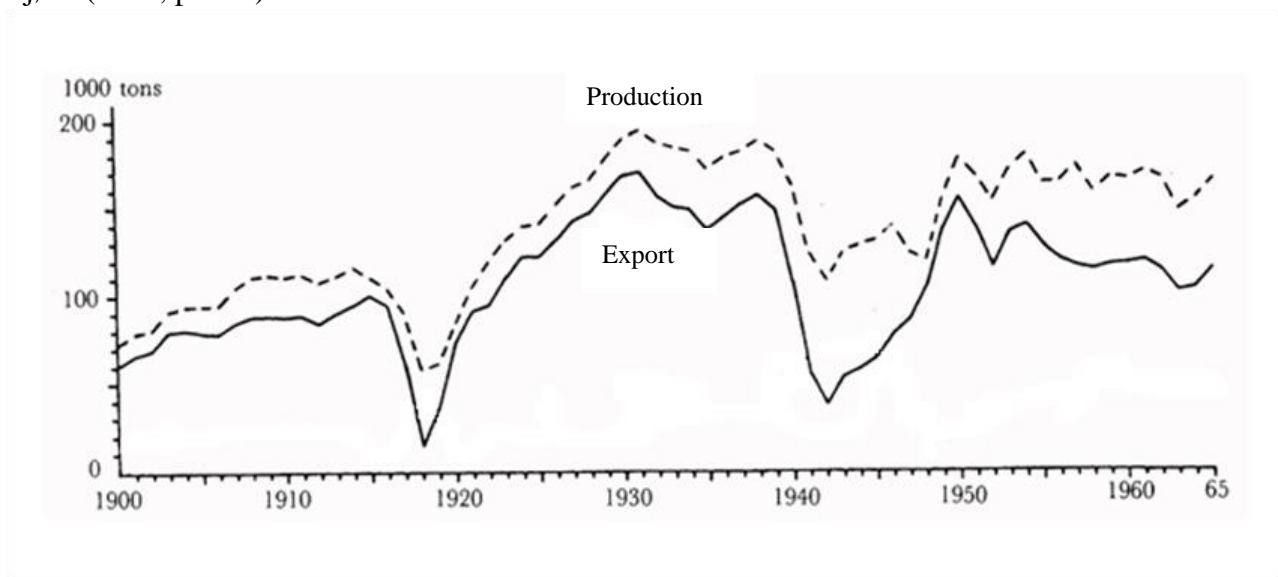


Figure 6. Export of Danish butter to the two largest export markets, Germany and Great Britain/Ireland, 1902-14. Value of the export (in million DKK). Source: Statistiske efterretninger (Statistical reports, Denmark), vol. 1902-15.

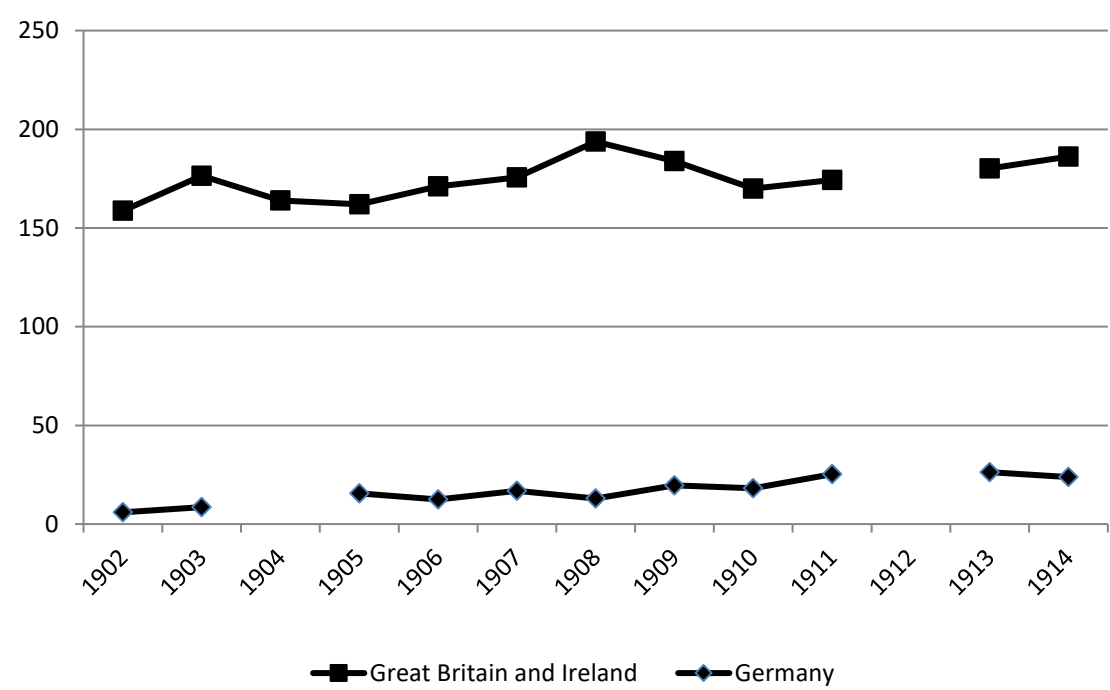


Figure 7. Members (local dairies) of Danish Dairies' Buttermark Association, 1900-6. Source: Nielsen (1906, p. 38).

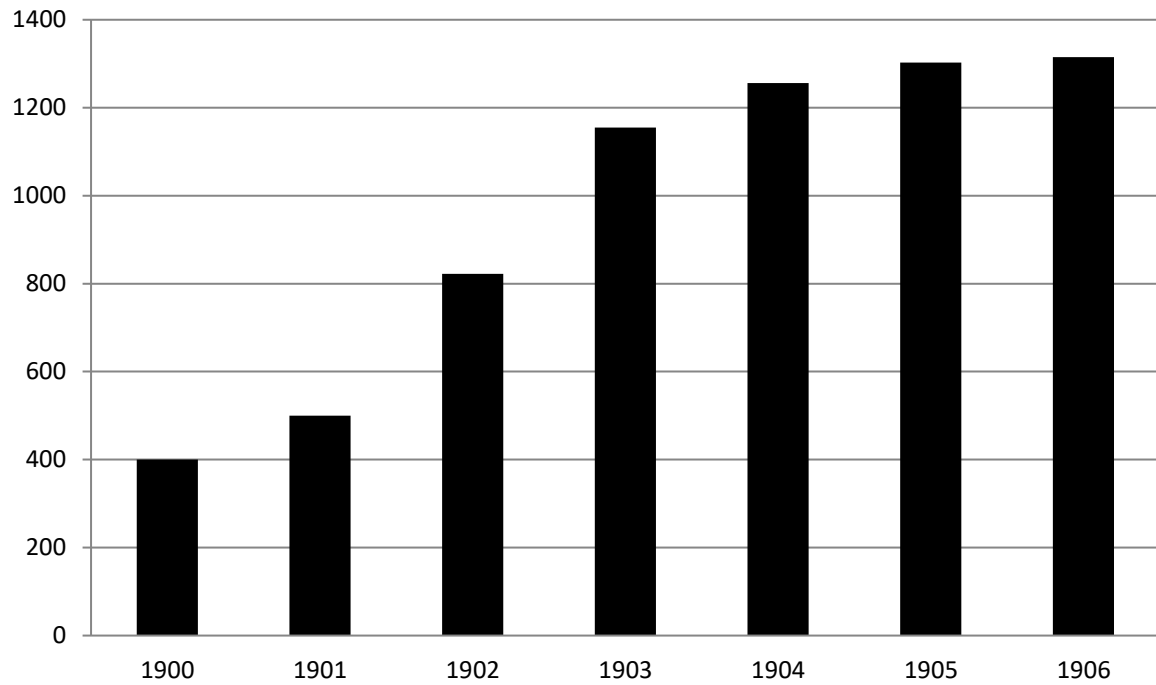
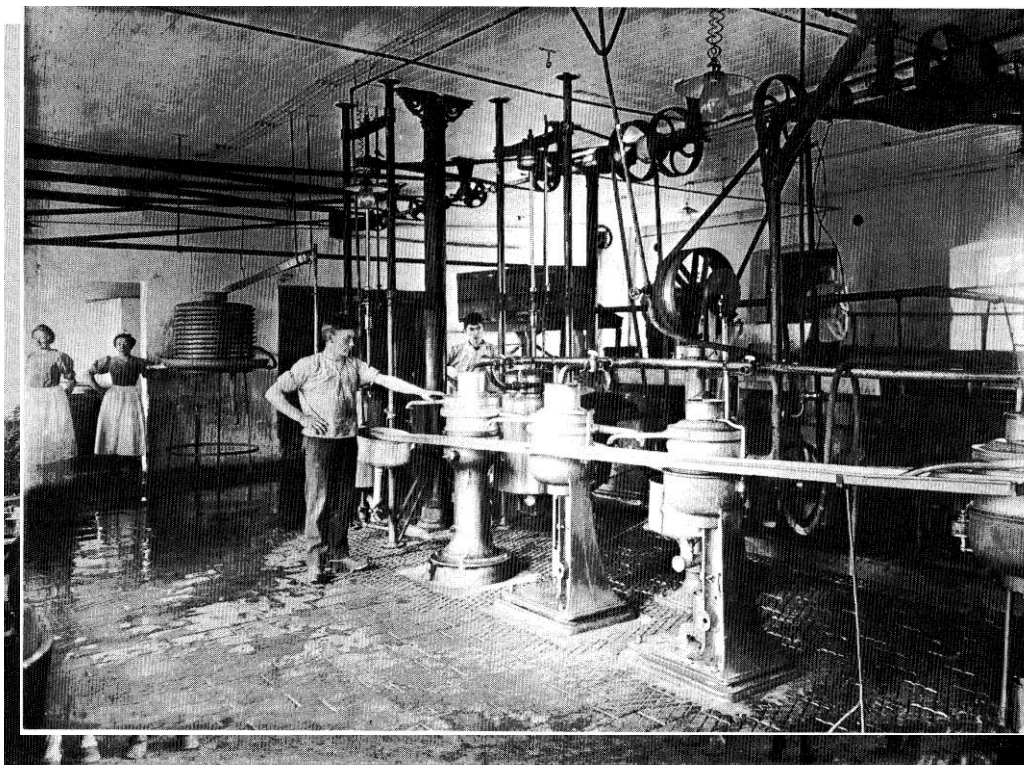


Figure 8. The development of the lur-brand logo. The fourth logo with the four lures were used in the beginning. Later on, this logo was exchanged by an elaborated version of the third logo with two lures. The first two logos were first drafts, which never came into use. The last logo is the one, which is used today. Reproduced from *Andelsbladet* and www.foodculture.dk (Date of access: 21-09-2012).



Figure 9. Milk coachmen at the cooperative dairy in Smidstrup between Fredericia and Vejle shortly after year 1900. Reproduced from Bjørn, 1982, p. 161.

Figure 10. Interior of the cooperative dairy in Aagaard near Kolding around year 1900. Reproduced from Bjørn, 1982, p. 145.



Notes

¹ Although agricultural corporatism in the EU has been diminished since the beginning of the 1990s (Lelieveldt and Princen, *The Politics of the European Union*, 137).

² E.g. Jordan, 'Pluralistic Corporatisms and Corporate Pluralism'; Streeck, 'Between Pluralism and Corporatism'; Cox et al., 'From State Direction to Self Regulation'.

³ Schmitter and Streeck, 'The Organisation of Business Interests'.

⁴ "In perfect accordance with the national romantic preoccupation with Denmark's ancient history dominating the 18th century, the curly musical instrument was able to simultaneously signal Danish identity, traditions and quality" (Mikkelsen, 'En ægte lurmærket succes').

⁵ It should however be added that, in a letter of Dec. 2, 1899, from state commissioner of the Danish butter sales in London, Harald Faber, to the chairman of the Danish Buttermark Association, farmer Anders Nielsen, a similar Dutch trademark showing two cow's horns is mentioned.

⁶ See Danish Dairy Board: http://www.mejeri.dk/Aktuelt/121218_Lurpak.aspx (date of entry: 13-05-2013).

⁷ Olson, *The Logic of Collective Action*.

⁸ Yishai, 'Three Faces of Associational Politics', 124.

⁹ Keeler, *The Politics*, 8. For a review of definitions of corporatism, see Schmitter, 'Still the Century of Corporatism?'

¹⁰ Yishai, 'Three Faces of Associational Politics', 124.

¹¹ By Phillippe Schmitter named "state corporatism" (Schmitter, 'Still the Century of Corporatism?')

¹² Jessop, 'The Capitalist State', 152.

¹³ A thorough study of deep-rooted corporatism in 20th century Italy can be found in Salvati, 'The Long History of Corporatism in Italy'. Here a peculiar culture originating in socialism and Catholicism is seen as the key explanation of such path-dependency – from the 1920s to 1945 specifically, and during the whole century generally.

¹⁴ Chloupkova et al., 'Building and Destroying Social Capital'.

¹⁵ The term reciprocity comes from Latin *reciprocus*, returning back the same way, alternating (probably from *re* back and *pro* forward). In anthropology, the word has been used to denote informal economic exchanges in the form of people's on-going exchange of goods and services, at the macro level often encapsulated in terms like "gift-giving", "gift economy" and "informal economic systems".

¹⁶ In a contemporary European Community context, Berkhout argues that, besides the 'internal' relations between members of interest organizations and policy-makers, the degree of access to news media plays a crucial role (Berkhout, *Political Activities of Interest Organizations*).

¹⁷ "The principal assumption of the model is that business associations share with other organisations a tendency to strive for stability and (relative) autonomy in their supply of resources and their capacity to make strategic decisions. In this, they have to strike a balance between the partly contradictory demands made on them by the dynamics of their interactions with their members on the one hand ('Logic of Membership'), and with collectively organised interlocutors like the state on the

other ('Logic of Influence')" (Streeck, 'Between Pluralism and Corporatism', 266). See also Schmitter and Streeck, 'The Organization of Business Interests'.

¹⁸ Schmitter and Streeck, 'The Organization of Business Interests'. By trade-off is normally understood "reducing or forgoing one or more desirable outcomes in exchange for increasing or obtaining other desirable outcomes in order to maximize the total return or effectiveness under given circumstances". Source: www.businessdictionary.com (date of entry: 23-07-2012).

Streeck, 'Between Pluralism and Corporatism', 266-267; Schmitter and Streeck, 'The Organization of Business Interests'. For other case studies shedding light on the dilemma, see e.g. Crepaz, 'From Semisovereignty to Sovereignty'; Bell, 'Between the Market and the State'; Cox et al., 'From State Direction to Self Regulation'.

²⁰ Higgins and Mordhorst, 'Reputation and Export Performance'.

²¹ Farmer Jens Sørensen-Saksager summarized this development in the following way in an article in the magazine *Mælketidende* [Milk News] in 1907: "There is hardly any business which, in economic terms, has brought our country such increased revenue and improved conditions as cooperative dairy production. Before introducing this system, production was small and the quality (..) shoddy and poor. Now the situation has changed. Both smallholders and large farmers are able to get the same price for their milk (..) Hence it has become profitable to keep properly nourished herds of cows, which in turn helps to increase the soil quality (..) Production of dairy products has taken such a powerful upswing, both in quantity and quality, that if Danish agriculture had failed to embark on this large-scale production form, as it has now become, then much in this country would have looked otherwise than it does now" (Sørensen-Saksager in *Mt*, 1907, 575).

²² Hansen, *Økonomisk Vækst*, 284; Bjørn, 'Dansk mejeribrug', 125–128; Nielsen, 'En ægte lurmærket succes'; Higgins and Mordhorst, 'Reputation and Export Performance', 191.

²³ Bjørn, *Anders Nielsen*.

²⁴ Nielsen in *Ab*, 1904, 505.

²⁵ Higgins and Mordhorst, 'Reputation and Export Performance', 199.

²⁶ Nielsen, *Excerpts from the Previous History*, 50.

²⁷ Wolfgang Streeck notes that peak (peak) organizations in particular are vulnerable to state influence, as these "can develop organisational strength and stability only to the extent that they can ... deal with the state directly" (Streeck, 'Between Pluralism and Corporatism', 270). Likewise Bob Jessop writes: "[Where] corporatism is based on peak organisations representing capital and labour, these bodies are exposed to a permanent organisational and ideological dilemma. Either the leaders of peak organisations compromise the immediate interests of their members for the sake of agreement and thereby run the risk of internal revolt; or they make concessions to their militant members and lose the opportunity for compromises which would materially benefit them" (Jessop, 'The Capitalist State', 158).

²⁸ Libecap, 'The Rise of the Chicago Packers'; Perren, *Taste, Trade and Technology*.

²⁹ Today, the trade-off relationship seems to be pushed to the left in Figure 1 – that is less cooperation and increased associational autonomy. Most recently, this development has been reinforced by the implementation of the so-called *Law of Marginal Zones* adopted by the Danish Social-Democratic government. This law, which became effective from 1 September 2012, and which prohibits farmers to

cultivate land under ten meters from streams and lakes bigger than 100 m². The law has led to a relationship characterized by distrust between the government and ministry of Foods, Agriculture and Fisheries on the one hand and the agricultural associations on the other. Some agricultural associations have even openly asked their members to violate the law, which they see as illegal state confiscation of their private property.

³⁰ David E. Hamilton writes of a new ‘search for order’, which included the building of high-quality bureaucracies, and which was clearly mirrored in the development of the American Department of Agriculture from the 1880s to the 1930s. During this development the American agricultural society gradually found itself in a dilemma between “planned efficiency and autonomous individualism”, the latter based on a deep distrust to centralized authority, also termed “the uneasy state” (Hamilton, ‘Building the Associative State’, 208-209).

³¹ Sheingate, *The Rise of the Agricultural Welfare State*, 125.

³² Cox *et al.*, ‘From State Direction to Self Regulation’.

³³ Just and Lowe, ‘Agriculture and Corporatism in Scandinavia’. Particularly for Danish agriculture, see Hansen, *Vækst i Danmark*, 312-15, and Just, *Landbruget, Staten og Eksporten*.

³⁴ Svendsen and Svendsen, *The Creation and Destruction of Social Capital*.

³⁵ Except from the small-holders, whose organization first joined in 1932.

³⁶ See e.g. Just, *Landbruget, Staten og Eksporten*, 82-145; Vigen, ‘Rigsdagen og Erhvervsorganisationerne’.

³⁷ Strandskov *et al.*, *Pioneren Otto Mønsted*.

³⁸ Miller, ‘Public choice’.

³⁹ Holst-Jensen, ‘Smørkrigen’.

⁴⁰ Faber, ‘Margarinelovgivningen i Danmark’; Higgins and Mordhorst, ‘Reputation and Export Performance’, 193.

⁴¹ Holst-Jensen, ‘Smørkrigen’. The law was based on a commission report of 1886, in which it was written that the law should be adopted due to “on the one hand, the concern of those interests belonging to home consumers [in Denmark], on the other hand the concern of our sale of butter abroad” (Ibid., 22).

⁴² Ibid., 51.

⁴³ Bjørn, ‘Landbrugets foreninger til 1914’, 347-48; Hansen, *Vækst i Danmark*, 304.

⁴⁴ Mikkelsen, ‘En ægte lurmærket succes’.

⁴⁵ Bjørn, ‘Dansk mejeribrug’, 138; Skrubbeltrang, *Den Sjællandske Bondestands Sparekasse*, 436-440.

⁴⁶ Bjørn, ‘Dansk mejeribrug’, 148. See also Godsk, ‘Brugsforeningerne’, 170-171.

⁴⁷ Nielsen, *Excerpts from the Previous History*, 58-59; Letter from Faber 20-01-1902).

⁴⁸ Nielsen, *Excerpts from the Previous History*, 9.

⁴⁹ Ibid., 5,

⁵⁰ Ibid., 6.

⁵¹ Ibid., 8, 9.

⁵² Ibid., 22, 24.

⁵³ “There are consumers in England who work in the same way as a great number of butter export dealers in Copenhagen are doing, that is, blending Danish and Swedish, possibly also Finnish butter (..) The lur brand would prevent this, and therefore we

see a resistance (..) The mere existence of the Buttermark Association is based on a wish to get rid of this form of trade. Time will show whether we will succeed and, in case we do, whether it will be to the benefit of Danish butter. In all cases, it [the lurbrand] will contribute to bringing [Danish butter production] on its own feet and make the trade honest” (Harald Faber, letter to Anders Nielsen 03-11-1902). In a lecture on margarine legislation in Denmark and abroad in the Danish Association of National Economy, Harald Faber also clearly reveals himself as a moral standard-bearer within agriculture. Already in the first sentence, he conveys the moral message, hinting at the widespread margarine cheating – and daily cheating as such – in England: ”May I begin with a short story: Every morning the shopkeeper asks his apprentice: “John, did you remember to put sand in the sugar and water into the brandy?” Where to John answers that he did remember. “Then let us pray our morning prayer”, says the principal (Faber, ‘Margarinelovgivning i Danmark’, 81).

⁵⁴ The enormous technical problems and complexities are clearly revealed in the large number of letters written by state consultant of Danish butter sales in London, Harald Faber, to Anders Nielsen 1901-9 (The National Danish Business Archives, no. 226366).

⁵⁵ Nielsen, *Excerpts from the Previous History*, 14.

⁵⁶ E.g. Nielsen, *Excerpts from the Previous History*, 7, 10-11, 13, 15, 23, 41.

⁵⁷ An illustration of this worldview can be found in a letter written by state consultant Harald Faber, London, who in all his letters to Anders Nielsen and others has a narrow and extremely matter of fact focus on solving technical and organizational problems. In one of his rare asides, he remarks: “I should not be surprised, if it turned out that the Ministry [of Agriculture] would help you to cover the expenses [to a trial in England in connection with misuse of the lur brand], however personally I find it unworthy that an association consisting of so many dairies should ask the state treasury for help, in which way the tailor and the shoemaker etc. will have to pay their share of this affair, which is not of their concern” (Letter from Harald Faber to Anders Nielsen 21-01-1903).

⁵⁸ Nielsen, *Excerpts from the Previous History*, 16.

⁵⁹ Ibid., 22.

⁶⁰ Ibid., 7.

⁶¹ Bjørn, ‘Dansk mejeribrug’, 148.

⁶² Nielsen, *Excerpts from the Previous History*, 31.

⁶³ State consultant Harald Faber, London, was an energetic defender of Danish export butter. In fact, the immediate reason for inventing a trademark for Danish butter was a trial in November 1898, where Faber charged the firm Straughton and Zoon for having sold Dutch and Finnish butter as Danish butter (*Andelsbladet*, yearbook 1912, 327). In the following years, Faber became a zealous prosecutor of firms and traders misusing the lur brand in England and Denmark (see Faber, letters to Anders Nielsen, e.g. 03-11-1902, 06-11-1902, 21-01-1903, 24-02-1903). His great efforts were appreciated by the BA board members, which the following letter to Nielsen June 4, 1903, reveals: “Dear Anders Nielsen! I thank you and the Buttermark Association (..) for your friendly telegram, which I received yesterday. I feel an extreme pleasure in this acknowledgement of my work, and it gives me a wish for further efforts” (Letter of 04-06-1903 to Anders Nielsen).

⁶⁴ As for example, butter dealer J.H. Pollock from Birmingham, who in an open letter urged the Danish government to “force their producers to label every cask of butter with a national brand”. And the letter ended with this request: “Let the authorities do their duty. Denmark can afford to provide its butter with a label designating the country of production, and honest traders can have no objections hereto. Danish producers as well as purchasers of Danish butter would welcome such an arrangement [and the newspaper] “Daily Mail” will have no need to carry on with its awkward questions” (J.H. Pollock in *Andelsbladet*, yearbook 1900, 468).

⁶⁵ Higgins and Mordhorst, ‘Reputation and Export Performance’, 198.

⁶⁶ Godsk, ‘Brugsforeningerne’, 171.

⁶⁷ Higgins and Mordhorst, ‘Reputation and Export Performance’, 198.

⁶⁸ Thus the Swedes chose a butter brand logo provided with runes, while the Australians chose a kangaroo as logo (Mikkelsen, 2006).

⁶⁹ Bjørn, ‘Dansk mejeribrug’, 148-149.

⁷⁰ The trademark was registered thanks to state commissioner of the sales of Danish butter in England, Harald Faber, who solved all juridical problems alone, only with help from an English lawyer (see e.g. Faber, letters to Anders Nielsen 06-11-1900, 18-12-1900, 20-01-1901, 28-01-1901).

⁷¹ Just, *Banen fri for fremtiden*.

⁷² Bjørn, ‘Dansk mejeribrug’, 127; Higgins and Mordhorst, ‘Reputation and Export Performance’, 192.

⁷³ Nielsen, *Excerpts from the Previous History*, 13.

⁷⁴ *Ibid.*, 10-11.

⁷⁵ (Ab, 1900, p. 468; Bjørn 1982, p. 149; Nielsen, *Excerpts from the Previous History*, 43)

⁷⁶ (Nielsen in Ab, 1904, p. 504).

⁷⁷ Nielsen, *Excerpts from the Previous History*, 38-39.

⁷⁸ *Ibid.*, 44.

⁷⁹ *Ibid.*, 45. Paradoxically, despite all their virtues and eager to fight for ‘a good case’, Faber and Nielsen knew that the creation of the lur brand only could take place through a deceit. In England, only trademarks held by private companies could be approved, and consequently the lur brand was registered as “Danish Butter-Producers’ Company”. Faber touched upon this embarrassing issue several times in his letters to Nielsen, regretting that they had to “smuggle through the registrations”, try to find a name that “look like a company name” in order to have the lur brand registered thanks to a “deceptive appearance of being “a firm””, “bluffing”, and fearing that somebody should find out, why “this case (..) should be treated with some caution” (Letters from Faber to Nielsen of 06-11-1900, 28-01-1901, 20-01-1902 and 08-02-1904)

⁸⁰ Nielsen, *Excerpts from the Previous History*, 45.

⁸¹ Nielsen in Ab, yearbook 1904, p. 505.

⁸² (Nielsen in Ab, yearbook 1905, 506.

⁸³ Anders Nielsen argued for provision of a collective good in this way: “It has been said that one should not wrong any dairy. However, one should remember that one wrongs all the other [dairies] by, week after week, to let a dairy provide us with their trash, which harms the reputation of our butter” (Nielsen in *Andelsbladet*, yearbook 1911, 831).

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- ⁸⁴ *Ab* yearbook 1903, 89.
- ⁸⁵ *Ab*, yearbook 1901, 715.
- ⁸⁶ Nielsen in *Ab*, yearbook 1903, 374.
- ⁸⁷ *Ab*, yearbook 1910, 322, cited from Bjørn, 'Dansk mejeribrug', 150.
- ⁸⁸ Bjørn, 'Dansk mejeribrug', 149.
- ⁸⁹ *Ab*, yearbook 1905, 1-2.
- ⁹⁰ Niskanen, 1971, *Bureaucracy and Representative Government*.
- ⁹¹ Nielsen in *Ab*, yearbook 1907, 432.
- ⁹² At the BA annual general assembly meeting in 1907, this was unequivocally stated by member of the BA and inventor of the lur brand logo, Rasmus Rasmussen: "No one can doubt that the Buttermark Association has done a fine job. The association grew out of the dairy associations and is therefore their child, but today it stands stronger than the mother, since it consists of all Danish dairies, which the dairy associations do not" (Rasmussen in *Andelsbladet*, yearbook 1907, 467).
- ⁹³ Nielsen in *Ab*, yearbook 1907, 434.
- ⁹⁴ *Ab*, yearbook 1909, 3-6.
- ⁹⁵ Thus, gradually we the polite, respectful, diplomatic and purely matter-of-fact tone in the first letters (Yours sincerely, etc.) transform into a more intimate tone (Your devoted, greetings from Faber's wife, etc.), most probably reinforced by the many personal meetings (almost every time Faber went back to Denmark, he took the opportunity to meet with Nielsen). Letters from Harald Faber to Anders Nielsen, 1900-1909.
- ⁹⁶ Letter from Harald Faber to Anders Nielsen, 11-03-1907.
- ⁹⁷ Letter from Harald Faber to Anders Nielsen, 23-04-1908.
- ⁹⁸ Nielsen in *Ab*, yearbook 1910, 364.
- ⁹⁹ Nielsen in *Ab*, yearbook 1909, 544.
- ¹⁰⁰ *Ab*, yearbook 1910, p. 120ff. See also Bjørn, 'Dansk mejeribrug', 151-152.
- ¹⁰¹ *Mt*, yearbook 1910, 119. Similar critiques were raised in regional dairy associations, as in the dairy association of Vendsyssel, where the following typical resolution was decided on March 12, 1910: "As dairy production in Denmark during the last 25 years has developed into such a large scale, as even the most sanguine among us could not have imagined, and as this has happened without the interference of the state power, then the General Assembly allows itself to express the opinion that such interference will be unnecessary in the future" (Cited from Bjørn, 'Dansk mejeribrug', 152).
- ¹⁰² *Ab*, yearbook 1910, 122.
- ¹⁰³ Christensen in *Ab*, yearbook 1910, 123.
- ¹⁰⁴ *Ab*, yearbook 1910, 85.
- ¹⁰⁵ Nielsen and Jensen in yearbook *Ab*, 1910, 125.
- ¹⁰⁶ *Ab*, yearbook 1912, 331.
- ¹⁰⁷ Nielsen in *Ab*, yearbook 1912, 327.
- ¹⁰⁸ *Ab*, yearbook 1912, 332.
- ¹⁰⁹ Nielsen and Jensen in *Ab*, yearbook 1910, 125.
- ¹¹⁰ Keeler, *The Politics*, 8.
- ¹¹¹ Schmitter and Streeck, 'The Organisation of Business Interests'.
- ¹¹² *Ab*, yearbook 1912, 330.